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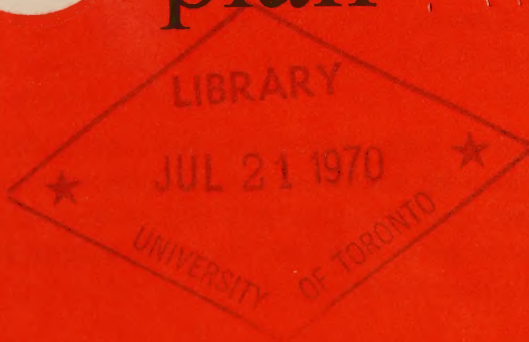
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# student loans plan

*1970*



# CANADA STUDENT LOANS PLAN

*(Revised – Effective July 1, 1970)*

## **What is the purpose of the Plan?**

The purpose of the Canada Student Loans Plan is to make bank loans available to students who need financial help to enable them to engage in full-time studies directed towards a degree or diploma at universities or certain other educational institutions above the high school level.

## **What is the first step?**

These loans may be made by any Canadian chartered bank, and by other lending institutions designated as banks for the purpose of this Plan, but only on the basis of a Certificate of Eligibility issued by or on behalf of one of the provinces participating in the Plan. This Certificate of Eligibility is your key to getting a loan, and your first step should, therefore, always be to apply for such a Certificate. At the end of this pamphlet there is a list of places where you should apply. The Yukon and Northwest Territories are “provinces” for purposes of this Plan.

- Your application cannot now be processed without your Social Insurance Number. If you do not have your number, you may apply for one through any Unemployment Insurance Commission office or Post Office in Canada.

## **Am I eligible for a loan?**

There are no age restrictions, but Certificates of Eligibility may be issued only to students who meet certain other conditions, and it will be helpful for you to know what they are. In brief, you will be eligible for a loan if you

- are a Canadian citizen. If you are not, you may also be eligible, but only if you have



lived in Canada for a year or more, have Landed Immigrant status at the time your Certificate of Eligibility is issued and intend to stay here after you graduate. Students studying in Canada on a student visa are not eligible;

- are a resident of a province that participates in the Plan (see further below on what constitutes residence for the purposes of the Plan);
- have attained a satisfactory scholastic standard. Generally, you are considered to have attained this if you satisfy entrance requirements for, or are in good standing in a post-secondary course at a designated educational institution;
- are a full-time student; students in night-schools, correspondence schools, summer schools, etc., do not qualify;
- have established to the satisfaction of an Authority named by a Participating Provincial Government that you really need a loan to assist you with your educational costs; and
- are enrolled, or qualified to enrol, in a post-secondary course of studies at one of the universities or other Canadian educational institutions designated by the participating provinces, for a course of study of not less than twenty-six weeks' duration in the academic year. (In certain cases, a semester within an academic year lasting at least thirteen weeks may be acceptable.) You may qualify in the same way for study at an educational institution outside of Canada.

Where there is any doubt, contact your Provincial Authority or its agency which alone can determine these requirements in specific instances.

### **How do I establish that I need a loan?**

The Canada Student Loans Plan was set up to supplement family and other financial sources avail-

able to students, not to replace them. It follows that Certificates of Eligibility may be issued only if you can establish that the financial resources available to you, including those of your parents, are not enough to meet what the awarding authority considers to be reasonable costs for the academic year. To this end, you will be asked to give a signed statement which will include information concerning your financial resources. Since, in general, parents remain primarily responsible for the costs of post-secondary education, your parents will normally be asked to give information concerning their income. Under the Plan, a ceiling is placed on the total loans that may be authorized by a province, and a Provincial Authority cannot be expected to use its part of the loan funds to approve loans to students who are really not in need of such assistance.

### **How much could I borrow?**

The Authority issuing Certificates of Eligibility will assess your need to determine the loan amount from the information in your application. This assessment will be based on your justifiable educational costs, fees, board and lodging if you live away from home, books, etc., relative to your other financial resources. (If you feel that the amount authorized is not adequate, you may reapply, or request a review of your earlier application, and any change in circumstances since your earlier application will be taken into account.)

The maximum loan amount that may be authorized to a student in respect of a full academic year is \$1,000 — with an overall maximum of \$5,000 for your entire educational period. It will be in your interest to borrow as little as possible. Don't forget that after graduation you will have to repay these loans and you will, at that time, have other financial obligations.

### **How do I arrange for a loan?**

If the Provincial Authority to which you have applied approves your application and issues a "Certificate of Eligibility" in your name, you may then take this to any Canadian chartered bank branch to arrange your loan, or to another lending institution that has been designated as a bank for the purposes of the Plan.

Loans will normally be provided in two instalments, one after you have enrolled for the first term



or semester of your course, and the other after the beginning of your second term or semester. On each occasion you are required to provide your bank with a prescribed form properly completed confirming that you are at the time a full-time student.

Some students will prefer to borrow from bank branches near their homes, others near the places where they take their classes. The banks can transfer your account from one branch to another or from one bank to another but the student will be responsible for arranging this with the lender.

If you already have a loan and wish to take out an additional loan, you may negotiate your Certificate of Eligibility only with the branch to which you owe any previous loans. If you prefer a branch at another location, you must first arrange the transfer of your earlier loan to the branch that you now wish to deal with. *Be sure at the time of entering into a loan agreement with a lender that you declare all previous Canada Student Loans outstanding.*

### **Do I have to provide security for a loan?**

No. Your loan will be guaranteed to the lender by the Federal Government. It will not be necessary for you to put up security or to have anyone other than yourself sign the loan agreement.

### **What about interest on the loan?**

As long as you are a full-time student and for six months afterwards, the loans you obtain under this Plan will be interest-free to you, and no repayment of principal need begin. During this period, the Federal Government will pay interest on your borrowings to the lender.

Once your interest-free period has expired, you will become responsible for payment of interest as well as repayment of principal.

You are required to enter into a consolidated loan agreement with the lender before the interest-free period expires.

This agreement sets out the terms for the repayment of your Canada Student Loans at a rate of interest not to exceed the maximum rate, as established by Regulations under the Act, effective at the time you sign your consolidated agreement.

### **What obligation will I assume with a loan?**

Once you have received a loan, you will have

incurred certain obligations that you will have to discharge at the appropriate time at your own initiative. Specifically, if you are again enrolled as a full-time student in the next academic year and you want your interest-free status to continue, you must so advise the lender on a special form, signed by an official of the institution you are attending. *If you do not return as a full-time student you must contact your lender not later than six months after you have graduated or discontinued your studies and enter into a formal repayment arrangement.* Further details are provided on the back of your Certificate of Eligibility which authorizes a loan. It will be your responsibility to remember to meet these obligations. A loan under this Plan is as much an obligation as if you were borrowing from a private lender without a government guarantee. *A borrower who wilfully fails to meet his obligations under this Plan must expect that the normal collection procedures used by commercial lenders or guarantors will be taken. Don't risk spoiling your credit rating.*

### **How long may I take to repay?**

You will normally be expected to repay the total amount of your debt, by agreement with your lender over a period of up to 9½ years after the expiration of your six month interest-free period, depending on the size of your debt and your probable ability to repay.

For example, you would normally be expected to repay a loan of \$5,000 over a maximum of 9½ years from the end of your interest-free period, \$3,000 over a maximum of 6½ years, and \$1,000 over a maximum of 4½ years. Normally loans of less than \$1,000 should be repaid in less than five years.

You may repay your loan in full at any time in advance, or increase the size and/or frequency of your payments if and whenever you wish without extra cost or penalty.

### **Suppose I die before the loan is repaid; does my family assume the debt?**

No. The Federal Government will repay the lender and the debt will be cancelled.

### **Where can I get an application form for a "Certificate of Eligibility" and further information?**

Application forms for a Certificate of Eligibility



are obtainable from the Appropriate Provincial Authority of the Province in which you reside or, in many cases, the institution you attend, if you study in your home province.

As a general rule, you are considered to be a resident of the province in which your parents live at the time you apply or, if you are married, of the province in which you have lived for at least one year. But there may be special circumstances, for instance, if you or your parents have moved to another province. Should you be uncertain about your residence status under this Plan, write to the Appropriate Authority of the province of which you consider yourself to be a resident. The addresses of these Provincial Authorities are shown on the last page of this brochure.

(The Province of Quebec relies on its own student assistance scheme instead of participating in the Federal Plan. Accordingly, students who are residents of the Province of Quebec can apply for financial assistance to the Student Aid Service, Department of Education, Government of the Province of Quebec, Quebec City.)

### **What colleges, universities and other post-secondary educational institutions may I attend with a Canada Student Loan?**

Under the terms of the Canada Student Loans Plan, a province may issue a Certificate of Eligibility only to students who are, or will be, in attendance at post-secondary educational institutions which have been designated by a participating province as a "specified educational institution" for the purposes of the Plan. As a general rule, this covers all degree-granting universities, and in addition, Certificates of Eligibility may be issued to students attending a number of other post-secondary educational institutions such as schools of nursing, teachers' colleges, and certain technical and vocational institutes and centres, etc.. Since the educational systems of provinces differ, there is naturally some variation from province to province in the number and type of schools other than universities that may be designated. If you are not sure whether the particular institution you are attending or planning to attend is a "specified educational institution", you should write to the Appropriate Authority in your province, to find out whether that institution has been or can be designated as an eligible institution under the Plan.

# LIST OF PROVINCIAL APPROPRIATE AUTHORITIES

## Newfoundland

|                                |  |
|--------------------------------|--|
| Canada Student Loans Authority | Department of Education,<br>Confederation Building,<br>St. John's, Newfoundland. |
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## Prince Edward Island

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| Canada Student Loans Committee | Department of Education,<br>Charlottetown,<br>Prince Edward Island. |
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## Nova Scotia

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| Nova Scotia—<br>Canada Student Loans Committee | Department of Education,<br>Box 578,<br>Halifax, Nova Scotia. |
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## New Brunswick

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| Department of Youth | Centennial Building,<br>Fredericton, New Brunswick. |
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## Ontario

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| Department of<br>University Affairs | Student Awards Officer,<br>Suite 700,<br>481 University Avenue,<br>Toronto 2, Ontario. |
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## Manitoba

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| Department of Youth<br>and Education | Student Aid Office,<br>1181 Portage Avenue,<br>Winnipeg 10, Manitoba. |
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## Saskatchewan

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| Department of Education | Avord Tower,<br>Victoria Ave. & Hamilton St.,<br>Regina, Saskatchewan. |
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## Alberta

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| Students Assistance Board | Department of Education,<br>Administration Building,<br>Edmonton, Alberta. |
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## British Columbia

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| The British Columbia<br>Student Aid Loan<br>Committee | c/o Department of Education,<br>Parliament Buildings,<br>Victoria, British Columbia. |
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## Yukon Territory

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| The Students Financial<br>Assistance Awards<br>Committee | Superintendent of Education,<br>Box 2703, Whitehorse,<br>Yukon Territory. |
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## Northwest Territories

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| Director of Education<br>for the Northwest<br>Territories | Department of Education,<br>Yellowknife,<br>Northwest Territories. |
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